

NEWS

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FOR IMMEDIATE RELEASE
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Jersey City Council Candidate Lori Serrano
Indicted for Allegedly Accepting \$10,000 in Corrupt Payments

(More)

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NEWARK – Jersey City council candidate Lori Serrano was indicted today and charged with accepting \$10,000 in corrupt cash payments in exchange for her anticipated official assistance on development matters once she became a council member, U.S. Attorney Paul J. Fishman announced.

The Indictment charges Serrano with conspiring with then-Jersey City official Edward Cheatam, a now-deceased consultant and others to extort cash payments from a government cooperating witness (CW) with the promise that Serrano would help the CW with development approvals in Jersey City.

The Indictment stems from an undercover FBI political corruption and international money laundering investigation that became public on July 23. Serrano was charged in a criminal Complaint on that day.

Fishman said the corruption and money laundering investigations are continuing.

Serrano will have to appear for arraignment on the Indictment on a date to be determined.

Cheatam has already pleaded guilty to his respective role in taking bribes from the cooperating witness for himself and for facilitating bribes and illicit campaign contributions to public officials and political figures. The Indictment also describes as a conspirator the now-deceased consultant, who allegedly facilitated introductions of the CW to Serrano and others who took bribes.

According to the Indictment, Serrano, Cheatam and the consultant first met with the CW on March 24, 2009. Other meetings followed where corrupt cash payments were planned and transacted, according to the Indictment. The payments were: \$5,000 in cash given to Serrano in the parking lot of a diner in Bayonne on March 30, 2009; and another \$5,000 in cash given to Serrano while she was sitting in the CW's car in the parking lot of a diner in Bayonne on April 23, 2009.

The Indictment alleges that before making any cash payments, the CW confirmed that Serrano would assist the CW with real estate development approvals, including expediting an application for a zone change on a property purportedly located on Garfield Avenue in Jersey City.

Specifically, the CW stated: "So, what I'll do is . . . give you to start \$5,000. And then hopefully we'll do more as the campaign progresses. As long as I know I got your . . . vote on council. . . . I need zone changes, resolutions. . . . As long as I know I've got your support." In response, Serrano stated: "You will." Later, when the CW confirmed again that Serrano would assist the CW with expediting the CW's development approvals, Serrano assured the CW that she would keep her promise, stating, "I'm a very loyal person."

The Indictment further alleges that Serrano agreed not to put the CW's name on any paperwork in connection with the payment and to accept the corrupt payments in cash, rather than by check, in order to avoid any "trace" of the payments. Serrano further took efforts to conceal the corrupt

payments, by failing to disclose the receipt and source of the March 30 payment in a publicly filed campaign report with the New Jersey Election Law Enforcement Commission.

The Indictment charges Serrano with one count of conspiracy to commit extortion under color of official right, which carries a maximum statutory penalty of 20 years in prison and a \$250,000 fine.

There is also a forfeiture count in which the government seeks return of the \$10,000 Serrano took in corrupt payments.

All defendants are presumed innocent unless and until proven guilty beyond a reasonable doubt.

Fishman credited Special Agents of the FBI, under the direction of Special Agent in Charge Weysan Dun in Newark, and the IRS Criminal Investigation Division, under the direction of Special Agent in Charge William P. Offord, for the investigation of Lori Serrano and the other defendants.

The case against Serrano is being prosecuted by Assistant U.S. Attorney Maureen Nakly of the U.S. Attorney's Office Special Prosecutions Division.

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Defense counsel: Terry Ridley, Esq. and Raymond Hamlin, Esq., Newark